



Medical Pharmaceutical Prime Vendor

CONUS-OCONUS Desk Reference

**Version 1.0
October 23, 2007**

I. Introduction	1
1. Purpose of the Prime Vendor	1
2. Purpose of the Desk Reference	1
3. Transformation of the DoD Medical Pharmaceutical Prime Vendor Program.....	1
II. Responsibilities	2
1. Medical Directorate's Responsibilities.....	2
2. Participating Facilities' Responsibilities	2
III. Prime Vendor Contracting Officials	2
1. Contracting Officer (KO).....	2
2. Contracting Officer's Representative	3
IV. Ordering Considerations	4
1. Order Minimums and Maximums	4
2. Ordering Points	4
3. Fill/Kill Service.....	4
4. Delivery Order Numbers.....	4
5. Number of Daily Orders	4
6. Types of Prime Vendor Orders	5
a. <i>Emergency Orders - Continental United States (CONUS)</i>	5
b. <i>Emergency Orders -Outside the Continental United States (OCONUS)</i>	5
c. <i>Just-In-Time Orders (JITO)</i>	5
e. <i>Schedule II Narcotics (CONUS)</i>	6
f. <i>Schedule II Narcotics (OCONUS)</i>	6
g. <i>Schedule III, IV, and V Controlled Substances</i>	7
h. <i>Credit Orders</i>	7
7. Placing the Order	7
a. <i>DMLSS/TEWLS</i>	7
b. <i>TAMMIS</i>	8
c. <i>EDI</i>	8
d. <i>PVOE</i>	9
V. Receiving Considerations	9
1. Delivery Points.....	9
2. Routine Delivery Times	9
3. Delivery Documents	9
4. Minimum Shelf Life Requirements	10
5. Inspecting the Order.....	10
6. Accepting the Order.....	10
7. Receipt Acknowledgement to DSCP	10
a. <i>DMLSS/TEWLS</i>	10
b. <i>TAMMIS</i> :.....	10
c. <i>EDI and PVOE</i> :	10
8. Discrepancies/Credit-Re-Bill Process.....	11
a. <i>DMLSS/TEWLS</i> :	11
b. <i>TAMMIS</i> :.....	11
c. <i>EDI and PVOE</i> :	11
9. Pricing Discrepancies.....	12

VI. Special Handling and Markings	12
1. Overseas Transportation and Responsibilities	12
a. <i>Prime Vendor Responsibilities:</i>	12
b. <i>Government Carrier Responsibilities:</i>	13
VII. Returned Material	13
1. Products Eligible for Return (CONUS)	13
2. Products Eligible for Return (OCONUS)	13
VIII. Invoicing/Payment/Billing	14
1. Making Payment to the vendor	14
2. Reimbursing DSCP	14
IX. Prime Vendor Equipment Requirements	14
1. Prime Vendor Provided Software	14
2. Hardware Requirements.....	15
X. Prime Vendor Customer Service Requirements	15
1. Pharmaceutical Customer Service	15
2. In-Process Reviews	15
ATTACHMENT 1: Manual Orders Process	16
ATTACHMENT 2: Who to Contact	18
ATTACHMENT 3: EMAIL Procedures	20

I. Introduction

1. *Purpose of the Prime Vendor*

The Department of Defense (DoD) Pharmaceutical Prime Vendor (PPV) Program provides participating facilities with a “primary” supplier for their pharmaceutical needs. The overall purpose of the PPV is to shorten the logistics pipeline, reduce cost and make it more reliable. It is a rapid and cost-effective method of acquisition.

2. *Purpose of the Desk Reference*

In December, 2006, the Medical Supply Chain completed its transition from the Standard Automated Material Management System (SAMMS) to the DLA Enterprise Business System (EBS) previously referred to as Business Systems Modernization (BSM). Included in this transition was the Supply Chain’s Pharmaceutical Prime Vendor program. As a result of this transition there have been changes to the Prime Vendor Program Business Processes and Procedures. This Pharmaceutical CONUS/OCONUS PV Desk Reference provides participating facilities guidance in using the Pharmaceutical PV (PPV) program. This guide supplements the statement of work (SOW) for each PPV contract. This guide applies to all facilities using a PPV contract.

3. *Transformation of the DoD Medical Pharmaceutical Prime Vendor Program*

To improve logistics responsiveness and financial integrity at the Defense Logistics Agency (DLA), it is transitioning all logistical operations to new systems and processes collectively called EBS. DLA has been in the process of making this transformation for approximately four years with the Medical Supply Chain transitioning in November/December 2006. This transition has modernized the Supply Chain’s operating systems and improved its ability to collaborate with both its customers and its suppliers.

This transition has affected all PPV customers, both those serviced using automated systems like the Defense Medical Logistics Standard Support (DMLSS), Theatre Enterprise Wide Logistics System (TEWLS) or Theater Automated Medical Material Information System (TAMMIS) and those that use its trading partners’ (Prime Vendors) proprietary ordering systems.

While the vast majority of the required changes are internal to DLA, the EBS transition required some modifications to the PPVs’ systems and processes, as well as the customer’s systems and processes. The primary change EBS resulted in is the replacement of summary payment with line-item payment. The requirement for line-item reconciliation has transformed the PPV program from focusing on a dollar value driven process to a more accurate quantity received per line process. During this transformation some customers have also changed from summary billing to line-item billing; specifically Air Force customers and Army customers participating in the Army Medical Materiel Agreement (AMMA).

Customers are affected by the change in business process based on the ordering and receiving methods employed. For purposes of this desk reference, customers will be categorized in four ways.

- a) **DMLSS/TEWLS** - Customers using DMLSS/TEWLS for ordering and receipting
- b) **TAMMIS** - Customers using TAMMIS for ordering and receipting
- c) **EDI** - Customers using EDI (other than DMLSS/TEWLS/TAMMIS) for ordering and EMALL for receipting
- d) **PVOE** - Customers whose primary method of ordering is the Prime Vendor's Order entry system and EMALL for receipting. This category of Customers **does not** apply to DMLSS/TEWLS/TAMMIS customers who use the PVOE in emergency situations. For Customers who use DMLSS/TEWLS/TAMMIS for ordering, refer to your Service policy on the use of the PVOE.

One of the key areas we ask customers to focus on is **placing the order properly**. Manual orders present a challenge in this new environment so we ask that customers pay close attention to the directions provided in this manual as well as the supplement on manual orders that has been distributed separately and is included as ATTACHMENT 1 - Manual Orders Process at the end of this document.

II. Responsibilities

1. Medical Directorate's Responsibilities

DSCP-Medical is responsible for the overall management and operation of the PPVP. DSCP-Medical is also responsible for maintaining this Desk Reference in a current status and providing updated guidance to participating facilities.

2. Participating Facilities' Responsibilities

Participating facilities are responsible for properly ordering items covered under the PPV program. Orders are placed through the PPV based upon the facility's geographical region. Additionally, each military service and facility is responsible for developing and implementing local procedures to conform to the PPV requirements. Questions about PPV should be addressed to your Customer Assistance Cell Chief at DSCP-Medical, available on the Customer Service Tab on DMMonline.com (ATTACHMENT 2: Who to Contact) Customers should use the Desk Reference and PPV Web pages on DMMonline to the maximum extent possible, supplemented by each Service's guidance and policies.

III. Prime Vendor Contracting Officials

1. Contracting Officer (KO)

Under the terms of the PV contract, the contracting agency is DSCP-Medical. The PPV KO is at DSCP-Medical.

2. Contracting Officer's Representative

Each customer will have assign a Contracting Officer's Representative (COR). The COR is the individual appointed by the Contracting Officer to perform specific technical or administration functions. Included in these duties are:

- Monitoring the PPV's performance to assure compliance with the statement of work (SOW).
- Reviewing, evaluating and commenting on any aspect of the contract and its performance, including problem areas and technical issues. Forwarding recommendations in writing to the KO.
- Advising the PPV to submit requests for changes in writing to the KO.
- Ensuring that changes in work under the contract are not implemented before written authorization is received from the KO.

The appointment of a Contracting Officer's Representative (COR) is to assist in the technical monitoring and/or administration of a contract (I/A/W DFAR 201.602-2). Each ordering facility must designate a COR to officially monitor the performance of their PPV on behalf of the DSCP KO. The designated individual will be appointed in writing by the DSCP KO, and act as the KO's authorized representative in accordance with the letter of appointment. The COR Designation/Appointment Letter, describing authority, duties and limitations, is in accordance with DLAD 4105.1, Section 90.6.

COR training certificates verifying prior course completion or a Contracting Officer Certificate of Appointment are acceptable; ALL CERTIFIED INDIVIDUALS, including previously appointed Pharm PV GEN II CORs.

The Pharm Gen III PV Program is pleased to announce the COR database register, in addition to accessing COR training through our website.

To become COR certified, training is available via the Federal Acquisition Institute (FAI) Internet Training Application System (FAITAS). FAITAS is sanctioned by the Defense Logistics Agency (DLA). Course completion meets the DLA COR training requirements, as a "computer based training course" as stated in the DLAD 1.603-93. After completion of the training, the FAI will provide the participant with a COR certificate. Note: It is not required to complete the FAI COR course in one session, however you should allow ample time if you make this choice.

[Federal Acquisition Institute \(FAI\) Internet Training Application System \(FAITAS\)](#)

COR/COTR Training, Course : COR with a Mission Focus (CLC106)

If you have any PPV questions, please contact Ms. Karen Tagliavia on DSN 444-5742, Commercial (215)737-5742, FAX DSN 444-8050, Commercial (215)737-8050 or:
Karen.Tagliavia@dla.mil

IV. Ordering Considerations

1. *Order Minimums and Maximums*

Minimum and maximum ordering limitations have been established with each Prime Vendor as follows:

- When a single order from the ordering activity totals less than \$50 the ordering activity is not obligated to purchase from the PPV, nor is the PPV obligated to accept the order.
- The PPV is not obligated to accept an order for a single item in excess of \$100,000.00 or a single order for a combination of items in excess of \$500,000. These limitations are also applicable to a series of orders from the same ordering activity within a seven-day period.

2. *Ordering Points*

Each participating medical facility has identified to DSCP specific ordering points. If a customer desires to change its ordering locations, they must notify the DSCP Medical KO via advanced written notice. Any change in ordering locations must be negotiated with the PPV by the KO.

3. *Fill/Kill Service*

If an item is not available, the item will automatically be canceled (“killed”) unless the customer allows the PPV to substitute a different item. If the PPV can partially fill an order for an item, it will do so, and the remaining quantity will be killed.

4. *Delivery Order Numbers*

Under Generation III PPV contracts, each facility was assigned its own contract number/delivery order series. Under the existing Generation II contracts, Pacific and Europe delivery order numbers are assigned by DSCP-Medical. Each facility is required to develop internal procedures to ensure each number is used only once. **Delivery Orders/call numbers can only be used one time for the contract number they are associated with.** A separate delivery order/call number must be used for each new delivery order. Duplication of delivery order/call numbers will cause a system violation and not allow the order to be created thus preventing the vendor from being paid. When you near the end (within fifty numbers) of your assigned delivery order numbers notify DSCP-Medical and we will assign additional blocks of numbers as needed. **NOTE:** TAMMIS Customers are assigned a separate delivery order/call number series for manual orders. These must be used to ensure orders are being created in EBS.

5. *Number of Daily Orders*

Customers may place multiple routine orders each day in accordance with the Statement of Work (SOW).

6. Types of Prime Vendor Orders

There are several types of orders that may be placed under the PPV program. The DSCP Contracting Officer will advise each ordering facility of the specific time periods for ordering, as well as delivery, for that particular ordering facility. The types of orders are:

a. Emergency Orders - Continental United States (CONUS)

- The PPV is required to provide emergency delivery service 24 hours per day, 7 days per week. Each ordering office will be provided the telephone and/or pager number of the contractor's representative responsible for providing this service. Delivery of items on an emergency basis will be by fastest possible carrier.
- The PPV will provide a minimum of two emergency shipments per month at no additional charge to the participating medical facility. Additional fees for emergency shipments in excess of two per month may be charged to the customer, including all applicable transportation and handling costs as agreed to between the requesting medical facility and the Prime Vendor at the time the order is placed.
- The Prime Vendor is required to make delivery of the ordered item, in the required time-frame, (usually six hours) 100 percent of the time.

b. Emergency Orders -Outside the Continental United States (OCONUS)

Due to the transportation means being used for overseas customers, DSCP requests that you forward all emergency requirements to the Field Agency Operational Cell, previously known as ESOC. With the exception of USAMMCE, Life-or-Death orders will be processed through the PPV provided sufficient stock is available. Life-or-Death emergency orders for delivery to USAMMCE will be picked up at the PPV distribution center by a Government carrier.

NOTE: HAZMAT or Narcotic substances cannot be purchased as an emergency order nor can be delivered under these circumstances.

c. Just-In-Time Orders (JITO)

JITO orders are for items the customer wants delivered within 24 hours of order placement, excluding holidays and weekends. This will be the primary order type submitted by the customers.

d. Drop Shipments

Drop Shipments are for items available through the program, but not carried in inventory by the PPV. Drop shipments are ordered through the PPV, but delivered to the customer directly from the manufacturer. Drop shipments are authorized provided:

- The ordering facility, the PPV and the Manufacturer agree to the use of a drop shipment and a delivery time-frame.
- A separate delivery order is placed with the prime vendor for the item that will be drop shipped. Do not commingle drop shipment products with those normally stocked by your PPV.
- More than one drop ship item from the same Manufacturer may be placed on the same order. Drop shipment items from two different Manufacturers cannot be placed on the same order.

- Only one delivery per order is made.
- Only one invoice per delivery order is transmitted by the PPV and only after shipment has taken place.
- Process receipt to DSCP upon receipt and acceptance of material from the manufacturer. Although there may be a substantial delay from the time the product is actually received until the PPV is made aware of the shipment, do not hold up receipt processing.
- The price specified by the PPV at the time of order confirmation cannot be increased.

NOTE: Effective November 2, 2006, The Air Force and Navy have implemented a policy that states if there is a separate fee for a drop ship item customers are to buy outside of the DSCP Prime vendor Program. The Army, however has stated that if there is a separate fee for a drop ship item customers can use either their credit card or Prime Vendor credit account to cover the additional fees. This policy will remain into effect until DSCP, working with DFAS and the PPVs, can come to an agreement on the documentation required for DSCP to pay for drop shipment fees.

e. Schedule II Narcotics (CONUS)

- Customers must complete and provide to the PPV a Drug Enforcement Agency (DEA) Form 222 before ordering Schedule II narcotics from the PPV. The actual procedure for purchasing Schedule II narcotics varies from vendor to vendor. Check with your PPV for their procedures.
- A separate delivery order is always required for narcotic orders. DMLSS Customers need to ensure that the non-submit order (EDI 850) contains the same Product ID that the PPV is using on the order acknowledgement (EDI 855). In most cases this is the NDC.
- Each order/delivery site must have its own DEA registration number. The PPV is authorized only to deliver to an address that has already been assigned a DEA registration number.
- **NOTE:** One DEA number is sufficient per base. However, if there are delivery points outside the base, additional DEA registration numbers will have to be acquired.
- An electronic DEA application is available on the [DEA website](#)

f. Schedule II Narcotics (OCONUS)

Schedule II drugs are available through the Prime Vendor Program. The customer will send the order via email to the designated DSCP POC. DSCP will FedEx the required DEA Form 222 to the PPV. DSCP shall include a document indicating the location where the Schedule II item is being shipped. The contractor shall attach this document to copy II of the DEA Form 222 with its return by the contractor to the DEA. Upon receipt of the DEA Form 222, the contractor shall pick, pack, and ship the order. The customer is responsible for notifying DSCP of the receipt of the C-II item, as well as taking the appropriate steps to ensure that the order is entered into TAMMIS/TEWLS/DMLSS as a non-submit and sent to DSCP along with receipt to affect payment.

g. Schedule III, IV, and V Controlled Substances

The DEA Form 222 is not required for Schedule III-V drugs. However, these types of controlled substances must also be on a separate delivery order.

h. Credit Orders

Customers are encouraged to take advantage of their PPVs credit program. Most PPVs establish "credit accounts" for each customer. Specific delivery orders (or calls) can be applied against the amount in the credit account. Customers are required to use their credit money within 90 days of placement into their credit account. Any unused credit dollars, over 90 days, will be refunded by the PPV to the US Treasury Department. Customers must coordinate the correct delivery order number and the credit memo number with the Prime Vendor. An order placed using the Credit Account **cannot exceed** the dollar value of Credits that have accrued. Your credit account with the PPV is not intended for shipment/invoice discrepancies. Customers should monitor the amount in the account and refer to their Service's policy for processing credits. Customers should also follow their Service's policy for how often to use their credit account. In the absence of an actual policy the following suggestions are provided:

- When the amount in the account equals the average delivery order
- Once a month

7. Placing the Order

DLA's implementation of EBS has placed more emphasis on executing the order properly in order to affect payment to the vendor. The sequence of ordering is to go to your primary Prime Vendor first. If the primary PV does not intent to fill the order, the ordering activity may go to its secondary PV. If the neither the Primary nor Secondary has the item available you may order the item from another source. Once an order has been placed additional items **CANNOT** be added to the order.

a. DMLSS/TEWLS

- **Electronic Orders (EDI 850):** For each order transmitted electronically to the Prime Vendor, the Prime Vendor will provide an electronic order confirmation (EDI 855) within two hours for just-in-time orders. If the order is not confirmed within the time-frame, call the Prime Vendor to verify that the transmission was received.
- **Manual Orders:** For each off-line, phone, fax, etc., order a **non-Submit** order (EDI 850) must be placed in DMLSS/TEWLS. The Prime Vendor must transmit a Purchase Order Acknowledgement (EDI 855) that includes all required data segments. Customers must ensure they are using the **same product ID** on the non-Submit order as the vendor will use on the acknowledgement since EBS matches off-line, manual orders by product ID. (NOTE: Refer to ATTACHMENT 1 for a full description of manual orders)

- **Credit Account Orders:** Credit orders are currently placed as offline, manual orders. The customer must enter the order using the non-submit (EDI 850) function in DMLSS/TEWLS to communicate a credit order to EBS just as they do for a regular manual order. The PV will send an acknowledgment (EDI 855) of the order with a Credit Order indicator, along with all other required data segments. Customers must decide **before** the order is placed whether they will be using their credit account or not. Orders can not be changed from a funded order to a credit order after the fact.

b. TAMMIS

- **Electronic Orders (EDI 850):** For each order transmitted electronically to the Prime Vendor, the Prime Vendor will provide an electronic order confirmation (EDI 855) within two hours for just-in-time orders. If the order is not confirmed within the time-frame, call the Prime Vendor to verify that the transmission was received.
- **Manual Orders:** For each off-line, phone, fax, etc., order, customers must ensure that the order is entered into TAMMIS using the range of Call Numbers designated and provided by the Contracting Officer. The Prime Vendor must transmit a Purchase Order Acknowledgement (EDI 855) that includes all required data segments. This will be matched up with a file sent from TAMMIS with the manual order information. EBS matches off-line, manual orders by product ID, therefore customers must ensure they are using the **product ID one time** on an order and that it is the **same one the vendor will use** on the acknowledgement (NOTE: Refer to ATTACHMENT 1 for a full description of manual orders)
- **Credit Account Orders:** Credit orders are currently placed as offline, manual orders. The customer must ensure credit orders are entered into TAMMIS and picked up on the file sent to EBS with all other manual orders. The PV will send an acknowledgment (EDI 855) of the order with a Credit Order indicator, along with all other required data segments. Customers must decide **before** the order is placed whether they will be using their credit account or not. Orders can not be changed from a funded order to a credit order after the fact.

c. EDI

- **Electronic Orders (EDI 850):** For each order transmitted electronically to the Prime Vendor, the Prime Vendor will provide an electronic order confirmation (EDI 855) within two hours for just-in-time orders. If the order is not confirmed within the time-frame, call the Prime Vendor to verify that the transmission was received.
- **Manual Orders:** For each off-line, phone, fax, etc., the Prime Vendor must transmit a Purchase Order Acknowledgement (EDI 855) that includes all required data segments. Customers must ensure they are using the same product ID on the non-Submit order as the vendor will use on the acknowledgement since EBS matches off-line, manual orders by product ID. (NOTE: Refer to ATTACHMENT 1 for a full description of manual orders)

- **Credit Account Orders:** Credit orders are currently placed as offline, manual orders. The PV will send an acknowledgment (EDI 855) of the order with a Credit Order indicator, along with all other required data segments. Customers must decide before the order is placed whether they will be using their credit account or not. Orders can not be changed from a funded order to a credit order after the fact.

d. PVOE

- **Routine Orders:** For each order placed using the PV's order entry system, the customer must provide a Requisition number at the time of order placement. Each of the Prime Vendors has made accommodations in their order entry system to accept a 14 alpha numeric requisition number. A proper Requisition number is made up of a valid DoDAAC in the first 6 positions, a valid Julian date in the next 4 positions and an alpha numeric serial number in the last 4 positions. The order will not create if either the DoDAAC or Julian Date is not valid. (Example: HPH0107232A001)

Once the order is placed, the PV will create and transmit a Purchase Order Acknowledge transaction set directly to EBS. This acknowledgement will contain the customer's requisition number along with all other required data segments in order to create the order.

- **Credit Account Orders:** Non-DMLSS customers will place Credit Account Orders manually or using the Prime Vendor's propriety ordering system, if the Vendor's system supports credit orders. The Prime Vendor will include a Credit Order indicator, along with all other required data segments, in its Purchase Order Acknowledgement.

V. Receiving Considerations

1. Delivery Points

Just like ordering points, each participating medical facility has identified to DSCP specific delivery points. If a facility desires to change its delivery locations, the facility must notify the DSCP Medical Contracting Officer in writing in advance. Any change in delivery locations must be negotiated with the Prime Vendor by the contracting officer.

2. Routine Delivery Times

Routine delivery shall be between the hours of 0700 and 1530 hours local time Monday - Friday, excluding Federal Holidays.

3. Delivery Documents

The Prime Vendor will include a packing list/slip with each shipment. The packing list/slip will include the delivery order number, date of order, itemized list of supplies in the shipment and quantity shipped. Also included on the packing list will be the delivered price for each delivered item and a total delivered. The Prime Vendor will include a packing list/slip with each shipment.

4. Minimum Shelf Life Requirements

Prime Vendors are required to provide dated/shelf life products bearing an expiration date/shelf life with at least six months (12 months for OCONUS) remaining upon delivery to the receiving activity. Products that have an initial expiration/shelf life of 6 months or less must have 75 percent of the dating remaining. Products not meeting the dating/shelf life requirement may be returned as described in the *Products Eligible for Return* section. Customers may elect to retain the material.

5. Inspecting the Order

Immediately upon receipt of the ordered material, an authorized representative of the medical facility will inspect all supplies. Customers should use any guidance published by their Service for the actual inspection.

6. Accepting the Order

After inspection, the customer should call the Prime Vendor and notify them of any discrepancies with the shipment. The receiving activity should record the credit memo number that is issued. Again, customers should follow their Service's policy.

7. Receipt Acknowledgement to DSCP

After inspecting and accepting the Prime Vendor order, it is required that receipt be posted in either DMLSS/TEWLS/TAMMIS/EMALL. A sites ordering method will determine how and where receipt is posted. It is imperative that receipt is posted timely and accurately in order to meet the payment terms to the Prime Vendors.

a. DMLSS/TEWLS

DMLSS/TEWLS will send receipt electronically once it is posted in the respective system. Customer should continue to post receipt in DMLSS/TEWLS at the line item level. Currently, there is a three end of period (EOP) window where changes can be made but once the three end of day time frame is expired, the receipt will be sent to EBS. Multiple receipts can be sent for a single line, however, once all of the quantity is received a final indicator will be sent to EBS indicating this is all that is expected to be received.

b. TAMMIS:

Each day, EBS receives a file from TAMMIS indicating receipt of orders as well as inventory adjustments and other transactions. Customer should continue posting receipt in TAMMIS at the line item level.

c. EDI and PVOE:

Customers that use EDI (other than DMLSS/TEWLS/TAMMIS) or the PV's order entry system to place orders will use EMALL to post receipts. Receipts will not be available to view if they have already been receipted or the PV has not sent EBS the order

acknowledgment. For further detailed information on EMALL, please refer to ATTACHMENT 3: EMALL Procedures.

8. Discrepancies/Credit-Re-Bill Process

In the past, dollar value was emphasized during the receipt process. In EBS, however, it is very important that the quantity being received is accurate as this will affect payment to the vendor. The Receiving point must verify materiel upon delivery for kind, count, and condition. If there are discrepancies in quantity with the shipment, customers must post the quantity they actually received and advise the Prime Vendor of the nature of the discrepancy. If the PV processes an internal credit memo for accounting purposes that reference number should be provided to the receiving point as an audit trail.

In the event that the discrepancy represents an overage, and the customer desires to return the excess quantity, the receiving point must contact the PV to obtain a return authorization number and arrange for materiel pickup. If the customer desires to retain and pay for the excess materiel, a separate delivery order number (call number) must be utilized. Payment of overages needs to be coordinated with the Prime Vendor and a TVLS at DSCP so the order can be properly created. The steps below should be followed based upon the type of ordering site.

a. DMLSS/TEWLS:

1. Create a non-submit order for the item you wish to retain
2. Notify the Prime Vendor of the New Call number and a TVLS at DSCP of the Requisition number(s) and the new Contract/Call. The PV will generate a new invoice for the call number provided. The TVLS will ensure the order is created in EBS.
3. Post receipt for the item.

b. TAMMIS:

1. Create an order in TAMMIS using one of the designated manual order call numbers.
2. Notify the Prime Vendor of the New Call number and a TVLS at DSCP of the Requisition number(s) and the new Contract/Call. The PV will generate a new invoice for the call number provided. The TVLS will ensure the order is created in EBS.
3. Post receipt for the item

c. EDI and PVOE:

1. Notify the Prime Vendor that you wish to retain the excess material.
2. Notify a TVLS that you wish to retain the material. Provide the Contract/Call, Line item number, product ID quantity and price to the TVLS.
3. The TVLS will increase the quantity of the purchase order and sales order.
 - a. If receipt has already been posted, the TVLS will post receipt for the increased qty.

- b. If receipt has not been posted by the customer, receipt can be posted once EMALL is updated with the change in quantity.

9. Pricing Discrepancies

Pricing on individual orders within the Prime Vendor Program is based on the Order Acknowledgement (EDI 855) sent by the Prime Vendor. There may be times when customers disagree with the price sent by the Vendor. It is critical that the obligation price in EBS is reflective of what the customer has committed, therefore, customers must not make any changes to the price of a line item in their system unless authorized by DSCP. Currently, this authorization is accomplished via a phone call or e-mail to DSCP. Customers should follow the procedures below in order to execute a price challenge.

1. Call your designated Customer Relationship Management (CRM) Cell to verify the price of an item. You will be asked to provide the following:
 - a. Requisition Number (Document Number)
 - b. Contract/Call Number
 - c. Line Item Number
 - d. NDC/PVON or other item identifier
2. The DSCP POC will validate the price of the item(s) and one of the two results below will occur:
 - a. If a discrepancy exists, a price control number will be provided. DSCP will update the price in EBS and the customer will be able to update DMLSS/TEWLS using the PCN.Or
 - b. If no discrepancy exists, the customer should adjust obligations accordingly

VI. Special Handling and Markings

1. Overseas Transportation and Responsibilities

Shipping products overseas requires material to be over packed for international movement. The Prime Vendor contracts are FOB Origin (Free-on-Board) the government is responsible for the transportation. The Prime Vendor is responsible for over packing the material and putting material on their dock. The government commercial air carrier picks up the order from the prime vendor dock and delivers the material to the customer. When the carrier picks up the order, title passes to the Government. Therefore, discrepancies can be the responsibility of either the Prime Vendor or the Government Carrier. Responsibility for discrepancy resolution is assigned as follows:

a. Prime Vendor Responsibilities:

- Products inside the over pack were shipped in error.
- Products damaged inside over pack with no visible damage to the over pack.

- Material short-shipped with no visible damage to over pack.
- Products received with shelf-life that does not meet contract requirements, unless authorized by the ordering facility.
- Refrigerated products, received within 96 hours from time and date indicated on the refrigeration label that are spoiled.
- Spoiled refrigerated products received that were not appropriately identified and labeled.

b. Government Carrier Responsibilities:

- Missing over packed container (and its contents) picked up but not received at the delivery point cited on the Commercial Bill of Lading (CBL).
- Internally damaged item(s) when there is visible damage to the over pack.
- Shortages in a shipment when there is visible damage to the over pack.
- Refrigerated products, received after 96 hours from time and date indicated on the refrigeration label that are spoiled.

VII. Returned Material

1. Products Eligible for Return (CONUS)

The Prime Vendor is required to accept returned material under the following conditions for replacement:

- Products shipped in error.
- Products damaged in shipment.
- Products with concealed shipping damages.
- Products that were recalled.
- Products that do not meet shelf life dating requirements.
- Other returns consistent with the Prime Vendor's normal return policy.

2. Products Eligible for Return (OCONUS)

The Prime Vendor is required to accept returned material under the following conditions for replacement:

- Products shipped in error.
- Products inside the over-pack with concealed shipping damages.
- Products that were recalled.
- Products that do not meet shelf life dating requirements.
- Product ordered in error.
- Other returns consistent with the Prime Vendor's normal return policy.

Call your prime vendor's customer service to check on product being destroyed and you could be eligible for credit.

Note: There are FDA regulations (Prescription Drug Marketing Act of 1987) that do not allow the return of CII drugs from overseas.

VIII. Invoicing/Payment/Billing

1. Making Payment to the vendor

After inspecting and accepting the Prime Vendor order, the facility will send receipt to DSCP. Prime Vendor invoices for items delivered to participating facilities will be electronically submitted by the Prime Vendor to DSCP for payment. EBS requires a three-way match between the order, receipt and invoice at the line item level in order to process payment and billing. Once material is shipped, the PV will send an electronic invoice to DSCP for the line item, quantity and price of the items they have delivered. In order to make a three-way match, EBS requires receipt from customers.

Once the receipt is received, EBS will compare the invoice line, quantity and unit price to the established EBS Order and the quantity of the receipt. If a three way match occurs EBS will pay the Prime Vendor's invoice from the DSCP stock fund. If an exact match does not occur based on quantity, EBS will pay up to the quantity on the receipt.

2. Reimbursing DSCP

DoD Customers: DSCP recoups the funds from military customers via interfund transfer within MILSBILLS

Non-DoD Customers: Non-DoD Customers are billed once a month with payment due in thirty days.

IX. Prime Vendor Equipment Requirements

1. Prime Vendor Provided Software

The Prime Vendor is required to provide an electronic order entry system for placing orders. Prime Vendors will provide customers with training on its electronic ordering software.

The Prime Vendor is responsible for installation and maintenance of all contractor-owned software and/or hardware, which it furnishes to the ordering offices. Any software and/or hardware furnished by the Prime Vendor remains the property of the Prime Vendor and must be returned to them at the conclusion of the contract.

Emergency service and repair calls for Prime Vendor furnished software and/or hardware shall be made on an unlimited basis at no additional cost to the government. If any part of such equipment is not functioning properly, the Prime Vendor will, within 72 hours after notification by the government, furnish a qualified factory trained service representative to inspect the equipment and perform all repairs and adjustments necessary to restore the equipment to normal and efficient operating condition. If repair is not possible, the Prime Vendor will provide a replacement.

2. Hardware Requirements

Each participating facility is responsible for the acquisition and installation and maintenance of all government-owned software and/or hardware required for use by its ordering office personnel. For DoD customers, hardware is provided by your Service.

X. Prime Vendor Customer Service Requirements

1. Pharmaceutical Customer Service

Pharmaceutical customers also have a single customer service representative.

2. In-Process Reviews

DSCP periodically conducts an In-Process Review (IPR) meeting for each region. IPRs bring together the regional customers, the PPV, DSCP contracting and customer service people to discuss and resolve PPV issues or concerns. The IPR is one of the key tools the Government utilizes in determining customer's overall satisfaction with the program. Customer support of IPRs is strongly encouraged.

ATTACHMENT 1: Manual Orders Process

DoD Medical Supply Chain Enterprise Business Systems Manual Orders Process

Introduction:

The DoD Medical Supply Chain's new Enterprise Business System (EBS) requires line item detail to promptly and accurately pay its suppliers and bill you—the customer. The use of manual orders, referred to as an “Offline Non-Submit” order in DMLSS and an “Offline Requisition” in TAMMIS, is a very necessary process of the Prime Vendor Program. [Note: Since most Supply Chain Customers use DMLSS, we will refer to these manual orders as “Offline Non-Submit” orders throughout this document and ask TAMMIS customers to recognize we are also talking about Offline Requisitions.] However, this manual process presents numerous opportunities for introducing errors into the ordering system. These errors violate out and must be manually corrected, thereby, delaying the payment and billing processes. On the other hand, Electronic Data Interchange (EDI) orders that are electronically transmitted directly to the Prime Vendors' ordering systems rarely experience these errors. Therefore, it is in the best interest of everyone using the DoD Medical Supply Chain to limit the use of manual orders to those products and situations that simply cannot be handled electronically. When it is absolutely necessary to use the manual ordering process, you should use the following procedures to minimize the potential for errors. Doing so will help DSCP Medical help you receive timely and efficient Prime Vendor service.

Manual Order Process in EBS:

Once you place a manual regular or credit order with a Prime Vendor, you are required to generate an Offline Non-Submit order in your ordering system. This Offline Non-Submit order should be generated only one time for each order. As a bi-product of this action, your operating system will send DSCP Medical an Order (EDI 850) so we will have your Requisition Number and be able to associate it with the Prime Vendor Order. The Prime Vendor will send DSCP an Acknowledgement (EDI 855) based on the information you provided him by fax or phone when you place your manual order. EBS will match your Offline Non-Submit (EDI 850) with the Vendor's Acknowledgement (EDI 855) based on the Contract, Call and Product Identification. Therefore, if the Contract, Call or Product Identification you provide in your Offline Non-Submit Order (EDI 850) does not match the same data on the Prime Vendor's Acknowledgement (EDI 855), EBS cannot use it to create an internal Sales Order and Purchase Order. The impact of this mismatch on you is that you will not be billed and your Vendor will not be paid promptly for the products you ordered and received.

Typical Errors experienced with Manual Orders

The following are the typical errors we experience with manual orders. Please review them so that you can avoid them.

- **Duplicate Call Numbers** – Neither DMLSS nor EBS can accept the use of the same Call Number on two separate orders. In EBS, the second order using the duplicate call will not be processed and payment to the vendor will not be accomplished. Therefore, you must establish

procedures and take special care to ensure that the call number you use on each separate order is unique to that order and never repeated or reused with a different order.

- **Product ID Mismatches** – As stated above, the EBS matches your Offline Non-Submit Order (EDI 850) with the Prime Vendor's Acknowledgement (EDI 855) using the Product Identifier. Your Offline Non-Submit transaction (EDI 850) must show the exact Product Identifier (National Drug Code, Vendor Part Number, etc.) as the Prime Vendors Acknowledgement (EDI 855). If they do not match, EBS will not create the Sales Order and Purchase Order until the error is corrected and it can verify that the Prime Vendor acknowledged what you ordered. Again, this will result in non-payment to the vendor.
- **Missing Orders (EDI 850)** – Each manual order you place requires that you generate one Offline Non-Submit Order, which as a by-product sends an Order (EDI 850) to DSCP Medical. Again, this requirement applies to credit as well as regular orders. Although EBS does not pay the Prime Vendor for credit orders, we do verify that the vendor charged you the correct price for the item you purchased. Therefore, it is important that you process the Offline Non-Submit order in DMLSS immediately before or immediately after you place your manual order with the Prime Vendor. If you do not generate an Offline Non-Submit Order in a timely manner, DSCP will receive the Prime Vendor's Acknowledgement (EDI 855) and be unable to match it with your order and, therefore will not be able to establish the necessary Sales Order and Purchase order in EBS required to pay your vendor promptly.
- **Processing Receipt before the Order Acknowledgement is posted** – The sequence EBS receives the electronic transmissions related to your manual Prime Vendor orders is very important for timely processing. For example, EBS needs to receive your Offline Non-Submit Order (EDI 850) and the Prime Vendor's Acknowledgement (EDI 855) before you transmit your Receipt (EDI 527R). Therefore, you should ensure you transmit your Offline Non-Submit Order (EDI 850) immediately before or immediately after you place your order with the Prime Vendor. If for any reason the Order has not been established, you should take action to establish your Offline Non-Submit Order (EDI 850) so you can receipt for it properly.
- **Number of Lines Mismatch** – As part of the EBS financial compliance process, it will check to see if the lines on your Offline, Non-submit Order (EDI 850) match the lines on the Prime Vendor's Acknowledgement (EDI 855). If the number of lines on the EDI 850 does not match the EDI 855, EBS will not create a Sales Order or Purchase Order. Therefore, it is very important that you construct your Offline Non-Submit Order (EDI 850) using the exact same information and sequence you provided to your Prime Vendor.

Summary:

The financial compliance checks and balances in EBS are there to make sure you, our customer, get what you pay for. To make them function, however, you have to be timely and exact when entering your Offline Non-Submit Orders. Understanding the process and complying with the requirements outlined above will ensure you get the service you deserve and your Prime Vendor gets the payment he earns. If you have any questions about this process you should contact your DSCP Account Representative.

ATTACHMENT 2: Who to Contact

North Institutional Regional Cell

Supports DoD Military Treatment Facilities in the North Global TRICARE Region

Grugan, James	215 737-9049	james.grugan@dla.mil
Owens, Randall	215 737-5471	randall.owens@dla.mil
Schubert, Sara	215 737-8385	sara.schubert@dla.mil
Diorio, Diana M	215 737-2163	diana.diorio@dla.mil
Edwards, Ian	215-737-8430	ian.edwards@dla.mil
Del Collo, Andrea	215 737-7738	andrea.delcollo@dla.mil
Murray, Christopher	215 737-7212	christopher.murray@dla.mil
Reason, Isaiah	215 737-8157	isaiah.reason.ctr@dla.mil
Williams, Ayo	215 737-5765	ayo.williams.ctr@dla.mil

South Institutional Regional Cell

Supports DoD Military Treatment Facilities in the South Global TRICARE Region

Poplawski, Yvonne	215 737-3102	yvonne.poplawski@dla.mil
Sica, Anthony	215 737-7097	anthony.sica@dla.mil
Keefe, Ann	215 737-7423	ann.keefe@dla.mil
Jones, Jeffrey	215 737-6021	jeffrey.t.jones@dla.mil
Locicero, Joseph	215 737-8432	joseph.locicero@dla.mil
Ruffin, Deborah	215 659-0728	deborah.ruffin@dla.mil
Lewis, Stephen	215 737-2465	stephen.m.lewis@dla.mil
White, Anna	215 737-4485	anna.white@dla.mil
Bernacki, Mark	215 737-6070	mark.bernacki@dla.mil
Gorman, Nichols	215 737-3125	nichols.gorman@dla.mil

West Institutional Regional Cell

Supports DoD Military Treatment Facilities in the West Global TRICARE Region

McAllister, John	215 737-4150	john.mcallister@dla.mil
Bozzini, Michelle	215 737-4556	michelle.bozzini@dla.mil
Parks, Darlene	215 737-3974	darlene.b.parks@dla.mil
Ruigrok, Kim	215 737-4878	kim.ruigrok@dla.mil
Reed, David	215-737-2724	david.reed@dla.mil
Taraska, Anna	215-737-8677	anna.taraska@dla.mil
Fretz, William	215-737-4858	william.fretz@dla.mil
Tehson, Author	215-737-3160	author.tehson@dla.mil

Field Agency Operational Cell

Supports DoD Deployed, Deployable and Operating Forces Worldwide

Basquill, Jacqueline	215 737-8704	jacqueline.basquill@dla.mil
Quance, Daniel, LCDR	215 737-7221	daniel.quance@dla.mil
Lohr, Lauren	215 737-5017	lauren.lohr@dla.mil
Webb, Mary	215 737-5027	mary.webb@dla.mil
Powell-Lee, Beverly	215-737-7182	beverly.powell-lee@dla.mil
Catanzaro, James	215-737-5009	james.catanzaro@dla.mil
Donnelly, Bruce	215-737-5001	bruce.donnelly@dla.mil
Richardson, Nancy*	301-619-4473	nancy.richardson@dla.mil

Operating Forces Support Branch

Verbo, Marie	215 737-5019	marie.verbo@dla.mil
Clark, Sheila	215 737-5005	scheila.clark@dla.mil
Gatto, Denise	215 737-5011	denise.gatto@dla.mil
Norton, Evelyn	215 737-8419	evelyn.norton@dla.mil

Collective Medical Customer Cell

Supports Non-DoD and FMS Customers Worldwide

Fowler, Mike	215 737-2104	mike.fowler@dla.mil
Gigliotti, Joan	215 737-5473	joan.gigliotti@dla.mil
Terpolilli, Frank	215 737-5590	frank.terpolilli@dla.mil
Lamb, Patricia	215 737-5589	particia.lamb@dla.mil
Marion, Ninah	215-737-2029	marion.ninah@dla.mil

ATTACHMENT 3: EMALL Procedures

A) General comments

- 1) BSM emphasizes the document number (DODAAC+Julian date+call number) instead of the contract number and call number we have used in the past. You are assigning the document number when you place the order in your prime vendor order entry system. We would recommend that you keep a log handy at ordering, which will contain the document number, call number, and number of CLINs.
- 2) Request that your prime vendor “indexes” your packing slip/invoice by the CLIN number (on a default basis for all orders).
- 3) Your staff performs a routine physical inspection on shipments in accordance with your internal directives.
- 4) You should be ready to perform an EMALL acceptance based on
 - i acceptance of all items on the invoice
 - ii acceptance of some items on the invoice, and non-acceptance of the others
 - iii acceptance of no items on the invoice.

B) General EMALL Instructions

In all cases, perform the following in EMALL

- 1) At EMALL home page, select Orders on the top row of tabs; then select MRA status immediately below that.
- 2) Select Lookup: DLA orders
- 3) In the first drop down block, select “summary document number”
- 4) Insert the document number you want to accept.
- 5) This will give you a single match against the document number.
- 6) You will see a summary view of the order. Of importance are a little down arrow on the left hand side and “radio” buttons on the right side. To view all of the lines on the invoice, click on the little down arrow on the left, based on your inspection.

During receipt, you should know what actions you will be taking.

Return to the summary screen by clicking again on the little (now up) arrow on the left.

C) EMALL Actions

TO ACCEPT ALL ITEMS ON THE INVOICE

- 1) On the summary screen, check the “complete” button on the right hand side.
- 2) Check on the “update” button in the bottom right of the summary box.

TO ACCEPT MOST ITEMS ON THE INVOICE

- 1) On the summary screen, check the “complete” button on the right hand side.
(do not yet check the update button)
- 2) Click on the little down arrow on the left.
- 3) View all the lines on the order. ALL the lines should display a “complete” status.
- 4) For those lines you are not accepting, click “No MRA Action” on the right hand side;
This will remove the “complete” status for that line. Make as many changes as you wish.
- 5) When you are done this selective review, click on the little up arrow on the left. This will
return you to
Summary document.
- 6) Check on the “update” button in the bottom right of the summary box

TO ACCEPT NONE OF THE ITEMS ON THE INVOICE

Since this should be an extremely rare instance, you should resolve any issues about the order with the prime vendor and/or DSCP. Then, accept some or all of the items.

TO ACCEPT PARTIAL QUANTITY ON A SINGLE LINE ITEM

- 1) Advise DSCP of the document number and line item number, along with the quantity you originally ordered and the revised quantity you are going to receipt. Do not post any receipt in EMALL until you are told to do so by DSCP.
- 2) DSCP will adjust the sales order and purchase order in SAP to reflect the revised quantity you will be receipting. When this occurs, DSCP will so notify you.
- 3) The customer then can post a receipt in EMALL for the revised quantity.
- 4) All documents (the prime vendor’s invoice, your receipt in EMALL, and the DSCP SAP sales order and purchase order) should match on the revised quantity.
- 5) Proper payment to the prime vendor and proper billing to the customer by DFAS will take place.

TO PROCESS A QUANTITY OF “ZERO” ON A SINGLE LINE ITEM.

- 1) in EMALL, open the line item and changing the quantity to “0” and pressing the “complete” radio button
- 2) Changing the quantity in EMALL to zero will change the sales order and purchase order in DSCP’s SAP to reflect a cancelled line; should the prime vendor erroneously invoice for this line, it will not be paid. No billing of the customer will ever take place.
- 3) This was approved by DLIS effective September 1, 2007.